



## Memorandum

City Manager's Office

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**DATE:** January 8, 2004

**TO:** Mayor and Council

**FROM:** Amber Wakeman, Interim Government Relations Director (x8824)

**THROUGH:** Randy Gross, Community Relations Manager (X8844)

**SUBJECT:** 2004 Federal Legislative Priorities

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Attached please find the 2004 Federal Legislative Program. This item is on the agenda for discussion at the January 15, 2004 Issue Review Session.

If you have any questions, please contact me at (480) 350-8824.

Thank you.

Attachment

cc:

Will Manley  
Mary Fowler  
Steve Zastrow  
Kathy Matz  
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Glenn Kephart  
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## **CITY OF TEMPE 2004 FEDERAL LEGISLATIVE PROGRAM**

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### **RIO SALADO**

#### **Environmental Restoration Project**

The Tempe / Phoenix Rio Salado Environmental Restoration Project was included in the 1999 Water Resources Development Act (WRDA), and the project received \$2 million in New Starts construction monies in the FY01 appropriations bill and \$18 million in FY02.

#### **Project Status**

The City of Tempe has partnered with the City of Phoenix and the U.S. Army Corps of Engineers to revitalize portions of the Salt River and Indian Bend Wash. Tempe's total project consists of three distinct phases, separated geographically: 1) The entire Tempe reach of the Indian Bend Wash, from the Scottsdale Border to Tempe Town Lake; 2) Downstream of Town Lake to Priest Drive; and 3) Upstream of Town Lake to McClintock Drive. Each phase will be designed and constructed as an independent effort due to the unique requirements of each site.

The purpose of the project is to remove non-native vegetation and re-introduce native species that provide habitat value in a protected environment. Recreational amenities include walking paths outside of the habitats, viewing areas for watching animals, ramadas, restrooms and interpretive signs.

**Phase I :** The first phase of the project is the Indian Bend Wash portion, consisting of 40 acres of Wetland Marsh, Cottonwood Gallery and Forest, Mesquite Parkland, and Riparian Shrub and Grassland. This phase has completed all design and permitting stages and is currently under construction. Opening of this phase is expected in mid-2004.

**Phase II:** The second phase of the project is the downstream Salt River reach, with 60 acres of Mesquite Bosque and Upper Sonoran habitats. This phase has completed 60% of the design phase and will begin construction in early 2004.

**Final Phase:** The final phase is the upstream Salt River zone, ideal for riparian vegetation, and consists of 50 acres of Aquatic, Wetland Mudflat, Cottonwood-Willow and Mesquite Bosque habitats. Design efforts are ongoing with construction starting in late 2004.

Tempe continues to seek Federal funding for this project's continuous design and construction efforts. The habitat restoration is important to Rio Salado because of the aesthetic and environmental benefits it brings to the community. It provides food and shelter for native wildlife, recreation for citizens, earth science education for students and brings back the beauty of Arizona's river systems throughout the Region. The completed project improves the natural and built connective links of the Tempe Rio Salado to the communities of Scottsdale, Mesa and Phoenix.

### **Congressional Action**

In FY05, a total of \$19 million will be requested from the U.S. Army Corps of Engineers for the entire Phoenix / Tempe Rio Salado project. Of that amount, the City of Tempe is seeking Congressional support for \$2.5 million for Rio Salado construction. In addition, the City of Tempe requests approximately \$3 million for a critically needed pedestrian crossing over the Town Lake downstream dam. The pedestrian footbridge provides a safe and much needed link from the north side of the project to the south side of the project which provides greater community access to enjoy the revitalized riverbed and lake amenities. The City of Tempe has commissioned a design concept report for this project, which will be completed in February 2004.

### **Historic Ash Avenue Bridge, Stone Bleachers & Hayden Flour Mill**

The stone bleachers in Tempe Beach Park, built in 1934 under the direction of the Works Project Administration, are on the national register of historic places and are historically significant. Also, the Hayden Flour Mill structures are on the national register of historic places and are significant landmarks in our community. These structures are in an advanced stage of disrepair and deterioration from the natural elements. Restoration work is needed to stabilize and eventually return these monuments of history to re-use.

### **Project Status**

These project areas have been closed to the public due to safety concerns and to prevent further deterioration of the structures. The City of Tempe is in the process of funding a historical preservation plan for these projects, but does not yet have full funding established for work to be performed.

### **Congressional Action**

Working with our federal lobbyist, staff will develop a course of action for potential federal funding of these projects.

### **MTBE Groundwater Contamination Issue**

Last year's proposed Energy Bill included a so called "safe harbor" provision granting the gasoline industry immunity from liability in cases of groundwater contamination caused by methyl tertiary butyl ether (MTBE). MTBE is an air pollution reducing oxygenate compound which has been in use in many parts of the country (including Phoenix) since the early 1990's. Recently, MTBE is starting to show up in groundwater as a serious contaminant, and preliminary estimates are that cleanup costs nationwide may be as high as \$29 billion. The groundwater underneath Tempe, like the rest of the Valley, is at risk from this contamination. Potential costs to remove MTBE from Tempe's drinking water and Town Lake water supplies could run into the millions of dollars. The financial impact on Tempe's

water customers and the Rio Salado Project could be significant if the gasoline industry receives a waiver of liability.

#### **Congressional Action**

Staff will work with our lobbyist and other interested parties to support removal of MTBE "safe harbor" language from any proposed congressional energy bill this year.

## **ECONOMIC DEVELOPMENT**

### **Pursue Chicanos Por La Causa/City of Tempe New Markets Tax Credit Allocation from the U.S. Treasury Department**

The purpose of this federal program is to allocate tax credits to a Community Development Entity (Chicanos Por La Causa is already qualified as a Community Development Entity) so it can attract investors to low-income areas of a community by using the tax credits as a "credit enhancement" to invest in small businesses, venture capital or other commercial developments or redevelopment projects.

On September 25, 2003, the City Council approved \$100,000 funding to submit an application and develop an implementation program if the City of Tempe/Chicanos Por La Causa partnership is awarded an allocation.

The U.S. Treasury Department had been expected to announce which community development entities had successfully met the criteria to receive a tax credit allocation by December 31, 2003. That announcement is now expected in late spring, 2004.

#### **Congressional Action**

No congressional action is required, but it will be important to continue to monitor this program.

## **TRANSPORTATION**

### **Transit Investments in the Community**

Cities and regions that invest in quality public transit reduce traffic congestion and accidents, experience less air pollution and provide safer environments for pedestrian and bicycling activities. Modern transit systems also enhance a community's tourism and convention business. A successful rail and bus program ensures that the Phoenix metropolitan region can respond to the demands of the public and compete with cities and regions throughout the nation for retention and attraction of higher paying jobs and the convention and visitors market.

### **Local and Federal Transit Commitments**

Tempe's successful 1996 transit election, the passage of Transit 2001 in the City of Glendale and Transit 2000 in the City of Phoenix, and the completion of transit Major Investment Studies in Scottsdale and Chandler exemplify the significant local commitment our region has made toward developing a successful transit program throughout the

Valley. In FY2003, Congress approved \$24.5 million for Valley transportation projects, including: \$12 million for the Central Phoenix/East Valley Light Rail Transit (LRT) project.

### **Working Together for Success**

The leaders of our region will continue to work together to plan and implement a multi-modal transportation system that will accommodate our region's transportation needs for the next 20 to 40 years. The success of this effort is only possible with the support of the Arizona Delegation.

### **FY2004 Appropriations Requests**

In January 2004, Congress is expected to approve \$27.25 million in FY2004 appropriations for the Valley transportation projects, which includes the following appropriations in Tempe:

- \$13 million for the Central Phoenix/East Valley LRT project
- \$4 million for Tempe/Scottsdale Regional Bus Maintenance Facility
- \$500,000 for Downtown Tempe Transit Center.

The LRT project achieved two significant milestones in the federal approval process. First, the project received a "Highly Recommended" rating from FTA (FTA's highest ranking possible) as part of the FY 2003 Section 5309 Mid-Year New Starts Report. It is important to note that the LRT project was one of only two projects nationwide to receive this rating. In addition, the project received a Record of Decision from FTA completing the Federal environmental process and providing clearance to begin property acquisition.

### **Congressional Action**

The City of Tempe is optimistic that Congress will approve the funding levels included in the FY04 omnibus appropriations bill pending in the U.S. Senate. The omnibus bill will be considered by the U.S. Senate when they reconvene on January 20, 2004.

### **Continuing Congressional Support for FY2005 Appropriations and Transportation Reauthorization**

Now more than ever, it is important that the Arizona Delegation continue to work with the Valley's business community, interested citizens and the region's municipalities to develop and support a transit plan that sustains and improves the livability of our communities. Congressional support is critical in order to get projects funded in the FY 2005 appropriations bill and authorized in the Transportation Reauthorization Act.

### ***FY05 Appropriations Request***

In the FY05 appropriations budget, the Region is seeking:

- \$80 million for LRT final design, land acquisition and initial construction.
- \$36.1 million for buses and regional bus maintenance facilities.
- \$2.5 million for job access/reverse commute (JARC) grant request.

Included in the FY05 appropriations budget listed previously, Tempe is seeking:

- \$9.5 million for buses and regional bus maintenance facilities.
- \$6.6 million for the Downtown Tempe Transit Center.

### ***Transportation Reauthorization***

*Issuer: Amber Wakeman*

*Date: 1/8/2004*

In addition to the final passage of the FY04 omnibus bill and FY05 appropriations requests, action is needed to swiftly pass an expanded six-year surface transportation bill with increased investment for public transportation. The current federal highway and transit program, known as Transportation Equity Act-21 is due to expire on February 29, 2004, already having been extended by Congress for five months last fall. The federal transportation reauthorization bill before the House (H.R. 3550) would create more than 1.7 million jobs nationwide and increase the federal investment in transit systems nationwide to \$69.2 billion over the next six years. The U.S. Senate has not yet introduced a bill for reauthorization of the transit section of the transportation reauthorization act.

### **Congressional Action**

The City of Tempe is seeking Congressional support for the above FY05 appropriations requests and for reauthorization of the transportation bill.